

ECONOMIC DIVERSIFICATION LOAN (EDL) PROGRAM

Working cooperatively with Tribal leaders, the Governor and Legislature have proposed economic development programs designed to offset any impact Gaming has had upon Wisconsin's business community. These initiatives include the Economic Impact Loan (EIL) program and the Economic Diversification Loan (EDL) program.

The goal of the Economic Diversification Loan (EDL) program is to diversify a local community's economy such that it is less dependant upon revenue derived from Gaming. The EDL program is designed to help businesses establish and expand operations. The EDL program is a low interest loan program that may be able to finance a portion of the costs of these improvements.

ELIGIBLE APPLICANTS

Eligible applicants include existing businesses that have a comprehensive business plan that fully describes the proposed project.

Note: If you do not currently have a business plan, Commerce's Early Planning Grant programs may be able to provide you with a grant to develop a comprehensive business plan.

ELIGIBLE ACTIVITIES

Eligible Project Costs are limited to fixed asset financing. Examples of Eligible Project Costs include:

- Land
- New Construction
- Remodeling
- Furniture & Fixtures
- Equipment

Note: Refinancing is not an eligible activity.

MATCH REQUIREMENT

Applicants will be required to provide a cash match of at least 25% of the Eligible Project Costs.

FUNDING AVAILABILITY

Although applicants can receive 75% of Eligible Project Costs, the actual award amount, if any, is based upon an analysis of the following factors:

- **Project Viability**-Does the applicant have the experience and capital necessary to complete the proposed project successfully?
- **Jobs**-How many jobs will be created or retained? What is the wage rate and benefit package?

- **Economic Impact**-To what extent will the proposed project diversify the economy of the local community?
- **Community Benefit**-Will there be a positive economic impact upon the local community?

APPLICATION PROCESS

The Economic Diversification Loan program application process involves four steps:

1. Interested applicants must first talk with one of COMMERCE'S Area Development Managers or TOURISM'S Consultants who will discuss the project with the applicant, provide a copy of the application material and identify other programs that could potentially assist the applicant.
2. The applicant will complete the application material and submit it to COMMERCE for review.
3. The application will be evaluated by a Review Committee consisting of representatives from both COMMERCE and TOURISM.
4. The Review Committee will make a funding recommendation to COMMERCE's Office of the Secretary. The Secretary's Office will:
 - A. Deny the proposal, in which case the applicant will receive a letter outlining the reasons for denial.

or

 - B. Make a positive funding recommendation, in which case the applicant will receive notification of the award. The applicant will then enter into a formal contract with COMMERCE.

Note: Costs incurred prior to the date the project is approved by the Secretary's Office are not eligible.

BUSINESS INFORMATION

Businesses must have a comprehensive business plan that includes the following:

- Background information on the company.
- A description of the project.
- A detailed project budget.
- Information on employment levels, wages, and benefits. Both existing and projected (3 yrs.)
- A project timeline.
- Balance sheet, profit and loss, and cash flow statements for the last three fiscal years (Tax returns are acceptable).
- Three years of financial projections with notes covering all significant assumptions.

***Note:** For the first year, the balance sheet, profit and loss, and cash-flow statements should be available on a monthly basis.*

- Personal Financial Statements for principals with ownership of 20% or greater.

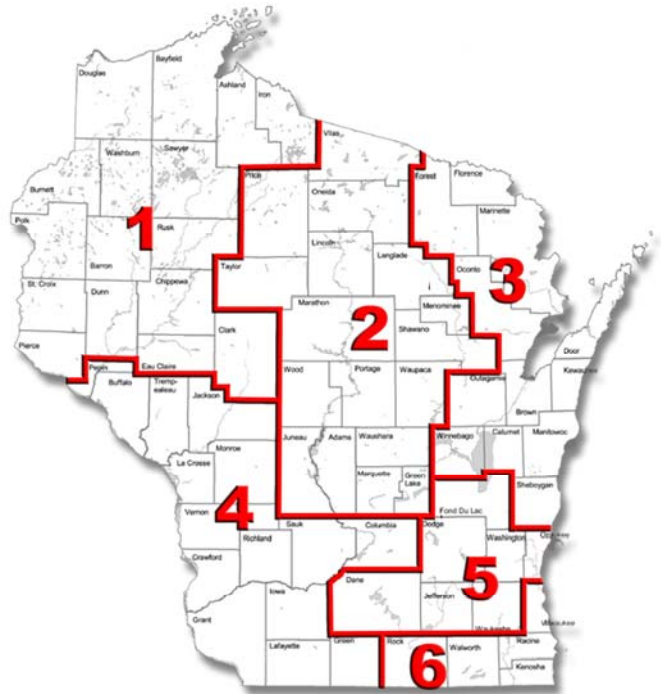


COMMERCE CONTACTS

Contact the Area Development Manager for the county in which you are located:

Area Development Managers

Region 1: Marty Ambros	715/836-2630
Region 2: Deb Clements	715/344-1381
Region 3: Dennis Russell	920/498-6302
Region 4: William Winter	608/647-4613
Region 5: Kathy Heady	608/266-9944
Region 6: David Martens	608/261-7711
Bureau Director: John Stricker	608/261-7710



TOURISM CONTACTS

Contact the Tourism Consultant for the area in which you are located:

Northwestern Region: Ruth Goetz	715/682-4591
rgoetz@tourism.state.wi.us	
Southeastern Region: Kit Sorenson	920/722-0507
ksorenson@tourism.state.wi.us	

Visit our Web sites at:

www.commerce.state.wi.us

or

www.travelwisconsin.com/agency